

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
JUNE 8, 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, June 8, 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 5:02 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, 1 vacancy) Staff in attendance: Executive Director John Pugh, Zoning Administrator/Rehab Officer Joseph Siegel, Attorney Michael Bergerson, and Secretary Debbie Wilson.

Public in attendance: Mayor Charles Oberlie, Bob Bailey, Rick McVay from Haas & Associates, John Vail, Laurie Wink of the News Dispatch, Tom Stevenson from Environmental Inc., Dan Radtke, Ed Merrion.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of May 11, 2009.

A motion to approve the minutes as written was made by Ms. Kaser. The motion was seconded by Mr. Kniola, with the votes 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 June:

Payroll

| | | |
|----------------|----------|----------|
| Staff Salaries | 05/22/09 | 2,381.06 |
|----------------|----------|----------|

| | |
|----------|-----------------|
| 06/05/09 | <u>3,502.04</u> |
| | 5,883.10 |

Claims (Regular)

| | | |
|-------------------|-----------------------------|---------------|
| Lenore Gregory | Acctg services - April 2009 | 250.00 |
| Michael Bergerson | Legal retainer - June 2009 | 300.00 |
| NAHRO | membership 6/09-5/10 | <u>230.00</u> |
| | | 780.00 |

Claims (N TIF)

| | | |
|---------------------------|------------------------------------|------------------|
| Michael Bergerson | Legal services N TIF | 3,745.00 |
| Lakeshore Landscaping | Irrigation repair - Franklin Sq | 9,205.00 |
| Environmental Inc | Grant mgement - Erincraft, N&W RR | 16,462.35 |
| MC Pres & Educ Found | Landscape renovation - Franklin Sq | 52,445.02 |
| Hunden Strategic Partners | Consulting - master developer | <u>12,000.00</u> |
| | | 93,857.37 |

Claims (S TIF)

| | | |
|-------------|--------------------------|-------------------|
| US Bank | Lease payment 1999 bonds | 166,000.00 |
| US Bank | Debt service 2007 bonds | 98,863.78 |
| Rieth Riley | Construction - 400 N | <u>90,586.98</u> |
| | | 355,450.76 |

The Chair entertained a motion to approve the claims.

A motion to approve the claims was made by Mr. Bigda. 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.

FINANCIAL REPORT

Mr. Pugh reviewed the financial report ended April 30, 2009. He noted that the Kieffer Road/400 N project is complete.

The Chair entertained a motion to approve the financial report.

A motion to approve the financial report 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.

PROPOSAL FOR ENGINEERING ESTIMATE FOR FRANKLIN SQUARE REPAIRS

Mr. Pugh distributed the proposal from Haas and Associates and reviewed same. The list of services in terms of Franklin Square streetscape repairs includes sidewalk concrete and brick repairs; curb and gutter repair; planter repair; ADA accessibility improvements; repair of tree grates; and repairs to the electrical system for the outlets. The scope of engineering services includes attendance at meetings; coordination of work; develop site planning and design maps; and preliminary design. Upon completion of the preliminary engineering and approval by the Commission, they will complete a detailed design and prepare bidding documents. During the bidding process, they will assist the Commission and make a recommendation for acceptance of a bid. During project construction, they will aid the Commission with the execution of a Construction Agreement, provide inspection and contract administration services. Due to budget limitations, the project will not include landscaping, milling and paving, site drainage or utilities. The project is planned for construction in 2009.

Mr. Pugh continued that the estimated fee breakdown for the preliminary design will not exceed \$12,000; the final design and bid documents will not exceed \$13,000; bidding will not exceed \$4,000; and construction services are estimated at \$18,000.

Mr. Pugh stated that he is satisfied with this proposal and is confident that this will get the Commission going with the needed repairs on Franklin Square. He therefore recommended approval of this proposal and authorization to proceed.

Mr. Kniola asked for verification that the repairs would not exceed \$47,000.

Mr. Pugh responded that the \$47,000 is correct but they don't have the actual numbers on construction. This is just for the preliminary design.

Mr. Kienitz mentioned that Mr. Pugh's estimates last month were considerably higher and questioned why.

Mr. Pugh replied that he was dealing with the construction estimate. These fees are just to get to the construction phase. He explained that this would authorize them to start on the design and bid documents. Once the project is bid, they will know the construction costs.

Attorney Bergerson advised that the Commission could approve items A, B, and C of the proposal at this time and wait to execute and approve item D when the Commission is satisfied with the design and bidding of the project.

Mr. Behrendt indicated that the construction services would be determined as the construction goes on. He said this is a normal agreement.

Mr. Pugh agreed and recommended approval to proceed.

Mr. Kniola stated that he was concerned that these repairs would have to be changed out if Franklin Street was converted to two-way traffic; but after doing a visual inspection of the project area; he believes that a number of these repairs are necessary.

Therefore, Mr. Kniola made a motion to accept the proposal by Haas & Associates and authorize work to proceed. 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.

REPORT ON STATUS OF BROWNFIELD CLEAN UP

Tom Stevenson, Environmental Inc., came forward to give an update on the status of Brownfield cleanup activities for the former Erincraft facility and former Norfolk & Western Railroad properties.

Mr. Stevenson reported that in May 2009 Remediation Work Plans (RWPs) were drafted for both sites and submitted to the Indiana Brownfields Program for review and approval. Corrective action strategy is for the excavation and off-site landfilling of contaminated soils (9,500 tons at the Erincraft facility and 4,300 tons at the N&W Railroad property). In July 2009, the RWPs were finalized after approval by the Indiana Brownfields Program. In August 2009, bids will be solicited and a qualified cleanup contractor will be retained. Cleanup of the contaminated soils will take place from September through November 2009. He noted that contaminated groundwater within the entire East Michigan Boulevard/East 8th Street area still needs to be addressed. The estimated cost for groundwater cleanup is \$1,200,000.

Mr. Stevenson reviewed the estimated project budget for completion of soil cleanup at the two sites. The total estimated cost for the Erincraft facility is \$640,000; the N&W Railroad property is \$340,000 for a combined total of \$980,000. He reviewed a breakdown of those costs indicating that the US EPA cleanup grant funds for the Erincraft facility is \$200,000; the N&W Railroad property is \$200,000 for a combined total of \$400,000. The IFA federal grant matching funds for the Erincraft facility is

\$40,000; the N&W Railroad property is \$40,000 for a combined total of \$80,000. Michigan City's North End TIF funds to be used for the Erincraft facility are \$400,000; the N&W Railroad property is \$100,000 for a combined total of \$500,000.

Mr. Stevenson stated that he is hopeful the project will be completed by the end of this year and he can then apply for additional funding from the EPA for groundwater cleanup.

LETTERS TO COUNTY AUDITOR REGARDING TIF ALLOCATIONS

Mr. Pugh explained that these letters are done annually and are a statutory requirement. Mr. Pugh read the letter which indicates that the Commission has determined all property tax payable for each of the TIF allocation funds (North, South, Northeast), in 2009 will be needed to satisfy anticipated obligations of the Commission, and therefore all potential captured assessment with respect to each allocation fund shall be captured assessment.

Mr. Pugh asked for approval of the letters and authorization to sign them and send them on.

The Chair entertained a motion.

Ms. Kaser made a motion approving the letters and authorizing Mr. Pugh to sign them and mail them via certified mail. 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.

RESOLUTION 1-09 TO ACQUIRE ADDITIONAL PROPERTY IN THE NORTH END

Attorney Bergerson explained that the Redevelopment Commission Land Acquisition Negotiating Committee was contacted by representatives of the Michigan City Board of Public Works & Safety relating to acquisition of additional property in the North End. Attorney Bergerson stated that if this resolution is adopted by the Redevelopment Commission, it would then move onto the Plan Commission for consideration, then onto the Common Council.

Attorney Bergerson read **RESOLUTION 1-09 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION AUTHORIZING THE ACQUISITION OF CERTAIN REAL ESTATE WITHIN THE BOUNDARIES OF THE URBAN RENEWAL AREA AS AMENDED.** Attorney Bergerson added that attached to this resolution is Exhibit A – a legal description of the building immediately west of City Hall, commonly known as the

News Dispatch. Attorney Bergerson noted that this procedure is consistent with the format followed in the past for acquisition of property in the North End.

Ms. Kaser stated that this is a good thing and felt the resolution should be adopted.

Therefore, Ms. Kaser made a motion to approve Resolution 1-09. 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.

REPORT BY LEGAL COUNSEL

Attorney Bergerson reported that he has been in contact with owners of property in the area of Fifth/Sixth/Pine/Michigan. They have indicated a willingness to sell their property. Discussions will continue.

With respect to acquisition of three parcels owned by Mr. and Mrs. Ellis at 408/410/412 East Sixth Street, Attorney Bergerson indicated that the assessed value for those three parcels is \$176,200; but the appraisal does not support the assessed value. Attorney Bergerson therefore recommended that the Commission make a motion to not accept the offer to purchase. Attorney Bergerson stated that he intends to continue negotiations with Mr. and Mrs. Ellis.

The Chair entertained a motion.

A motion was made by Mr. Bigda to reject the offer to purchase for the property at 408/410/412 East Sixth Street owned by Mr. and Mrs. Ellis. 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.

With regard to Blocksom, Attorney Bergerson reported that he received a call from representatives of Blocksom to set up a meeting on June 15th at 1:00 p.m. at City Hall to discuss remaining issues for their relocation.

Attorney Bergerson reported that the Sobkowiak/Weber litigation is ongoing. A hearing has been scheduled for the first week of July. In the meantime, the demolition has moved quite fast. As of today, the old Ice House structure has been removed, the contractor is doing the final grading and hydro seeding will take place.

Regarding the Matey's appeal, Attorney Bergerson advised that no brief was filed by the Bailey's. Attorney Bergerson has subsequently filed a motion to dismiss on May 22nd. The motion is under advisement and he expects an order in the near future.

Attorney Bergerson stated that the paperwork for Harbor Grille should be ready by the end of the week.

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 the County Road/400 N project is complete.

Mr. Pugh announced that we are a participant in America in Bloom again this year. This is a national beautification contest for cities. The judges are expected to visit on June 29th and 30th. Mr. Pugh asked that everyone do their part by mowing and picking up debris. He said we are reaching into the neighborhoods as well as all the City facilities. It is hoped that this effort will continue on.

Mr. Bigda pointed out that there is a large pile of debris at the proposed ice cream parlor site.

Mr. Pugh stated that the property is secure and the dumpster has been removed. He will keep in touch with the owner.

PUBLIC COMMENTS

Dan Radtke, Pioneer Lumber and Pioneer Pier, had several questions. He stated that he has been approached by several people about the riverfront district and liquor license and potentially creating one of those establishments at Pioneer Pier. He stated that the requirements are pretty strict and it seems to turn a lot of people away. He questioned if the Commission was able to negotiate those requirements for a liquor license. Mr. Radtke also questioned the status of the proposed extension of Lake Avenue as well as the proposed park at the old Harborside Homes site.

Mr. Radtke commented that he is in awe of the disappearance of the old Ice House and what a difference it made to the whole aura of town.

Chairman Behrendt responded with regard to the riverfront license that the Commission would need to know what specifics he wants to negotiate, and then the Commission could look at it. Regarding Gateway Park, Mr. Behrendt stated that Lohan Anderson is

the engineering firm for the project and they are in the process of planning. There should be a meeting coming up soon.

With regard to Lake Avenue, Mr. Pugh responded that it is a Board of Works project. There are preliminary drawings. Negotiations are currently underway with the Railroad and surrounding owners. When everyone is on board and the plans are approved there will be a resolution going to the City Council to authorize the City to proceed. Once that happens, it has to go to the Indiana Department of Transportation Rail Committee as it not only involves a new railroad crossing, but also involves the closing of some existing crossings.

Ed Merrion, 1010 Karwick Road, asked if there has been any dollar amounts considered or proposed for the land acquisition of the property immediately to the west of City Hall.

Chairman Behrendt responded that right now they are going through the procedures to get it on the acquisition list. It still has to go to the Plan Commission and Common Council before anything can materialize.

Ms. Kaser asked if the contractors have started working on the planters.

Mr. Pugh replied that they will start soon.

NEXT MEETING DATE

The next regular meeting will be July 13, 2009.

ADJOURNMENT

The Chair entertained a motion to adjourn.

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

The Chair declared the meeting adjourned at 5:45 p.m.

/s/ Lynne Kaser, Secretary